

Gilded Age Politics: 1868-1888

Themes of the Gilded Age:

- Politics: hard vs. soft money ('70s & '90s); tariff ('80s); corruption due to greed, patronage & trusts (throughout late 19th c.)
- Industrialism: U.S. became the world's most powerful economy by 1890s: railroads, steel, oil, electricity, banking
- America was transformed from an agrarian nation to an urban nation between 1865 and 1920.
- Urbanization: millions of "New Immigrants" came from Southern and Eastern Europe, mostly to work in factories.
- Unions and Reform movements sought to curb the injustices of industrialism.
- Farmers increasingly lost ground in the new industrial economy and eventually organized (Populism)
- The "Last West": farming, mining, & cattle raising
- By 1900 society had become more stratified into classes than any time before or since.

I. Ulysses S. Grant as president

A. Most popular figure to emerge from Civil War

-- Grant appeared non-political; voters tired of typical politicians

B. Presidential election of 1868

1. Grant the Republican nominee

a. Platform of continued military Reconstruction

b Grant supporters during campaign began "**waving the bloody shirt**": trying to show the loyalty of Grant to the Union cause in the Civil War.

2. Democrats nominated Horatio Seymore; denounced military reconstruction.

a Wealthy easterners demanded federal bonds issued during war be redeemed in gold despite being purchased with badly depreciated paper greenbacks.

b "**Ohio Idea**" --Poorer mid-western delegates called for "repudiation" plank by demanding redemption of bonds in greenbacks to maximum extent possible

-- Hoped to keep more money in circulation making loans less costly & easier to find

c Seymore refused to support "Ohio Idea"; hurt Democrats

d Significance: Money issue dominated politics in 1870s (and 1890s)

3. Grant defeated Seymore 214-80 but only by 300,000 popular votes

-- Freedmen gave Grant 500,000 votes and his margin for victory.

C. Grant presided over an era of unprecedented growth and corruption

1. Much corruption in his administration.

2. **Jim Fiske & Jay Gould** tried to corner gold market in 1869

a Persuaded Grant to order federal Treasury to stop selling gold.

b Fiske and Gould then bid price of gold upward.

c Treasury finally released gold and the bubble burst in 1869

-- Like the Crash of 1929 with overspeculation and inflated stock values.

d Congressional probe found Grant did nothing illegal but acted recklessly.

3. **Tweed Ring** in NYC (led by "Boss" William Marcy Tweed)

a Boss Tweed used bribery, graft, and fraudulent elections to gain perhaps \$200 at the expense of NYC – headed notorious **Tammany Hall** political machine.

b *NY Times* exposed him in 1871

i Cartoonist **Thomas Nast** offered \$100K bribe to "study art in Paris" so not to portray Tweed badly; Nast refused despite even higher bribe offers.

ii Samuel Tilden prosecuted Tweed & he was sent to jail where he died

-- Paved way for Tilden's presidential nomination in 1876

4. **Credit Mobilier** scandal

a Railroad construction company formed by insiders of Union Pacific Railway

b Hired themselves to build the railroad and paid themselves huge fees.

i Paid dividends of 348% in one year to stockholders.

ii Distributed shares of stock to congressmen to avoid federal interference.

c In 1872 the charges confirmed by a Congressional investigation that censured two members & the vice president

-- Grant's reputation tarnished although most corruption occurred before his presidency.

5. **Whiskey Ring**

a 1875, press revealed Whiskey Ring had robbed millions in excise-tax revenues.

-- Grant: "Let no man escape"

b Yet, one of Grant's own cabinet members part of the scam.

c Grant persuaded the jury not to convict.

6. Secretary of War Belknap got \$24,000 for selling the privilege of selling supplies to Indians; supplies often worthless.
-- House voted to impeach him and he resigned the same day.
- D. **Secretary of State Hamilton Fish** (one of few bright spots in Grant's cabinet)
 1. Reorganized State Department and adhered to the merit system in civil service.
 2. Treaty of Washington (1871): Britain agreed to pay U.S. \$15.5 million for *Alabama* claims during Civil War.
 3. Averted war with Spain by persuading Grant to remain neutral in Cuba's struggle for independence.
- E. 15th Amendment only major significant accomplishment of Grant administration
-- Grant supported Radical Republicans and military reconstruction
- F. **Election of 1872** (Liberal Republican revolt)
 1. **Liberal Republican party** formed in response to Grant's corrupt presidency.
 - a Slogan: "Turn the rascals out"
 - b **Horace Greeley** nominated for president. (1811-1872)
 - c Supported by **Carl Schurz**, a German immigrant in the 40s who was an abolitionist and in favor of honesty in gov't.
 2. Democratic party endorsed Greeley who had earlier bashed them as he seemed to be the strongest candidate available; no Democrats willing to run against Grant
 3. Grant d. Greeley 286-66 and by almost 800,000 popular votes.
 4. Liberal Republican influence forced the Republican party to reform itself.
 - a All but 500 ex-Confederates pardoned in 1872 by a general amnesty act.
 - b Reduced high Civil War tariffs.
- II. **Panic of 1873** and the subsequent depression (1873-1879)
 - A. Causes
 1. Overproduction of railroads, mines, factories and farm products.
 2. Bankers made too many risky loans to finance growth.
 - a Many loans went unpaid; banking system collapsed (e.g. Jay Cooke)
 - b 15,000 businesses went bankrupt.
 3. Depreciation of **Greenbacks** resulted in hard-money advocates seeking to increase dollar's value.
 - a Treasury withdrew \$100 million decreasing money available to \$350 million
 - b Hard-money advocates pleased; soft-money folks dismayed.
 - B. Greenback Issue
 1. **Contraction**
 - a 1874, to stimulate economic growth Congressional Democrats sought inflation by printing more Greenbacks into circulation.
 - b Grant persuaded by hard money folks to veto bill to print more paper money.
-- Conservatives feared uncontrolled growth of money supply and inflation.
 - c **Specie Resumption Act of 1875**: Further withdrawal of Greenbacks and redemption of all paper currency in gold (not silver) at face value in 1879.
 - d Deflation resulted due to less money in circulation.
 - i Worsened impact of depression
 - ii Yet, boosted nation's credit rating; brought Greenbacks up to full face value.
 - C. Debtors push for silver
 1. Debtors sought to cause inflation which would increase money supply, making it easier to pay debts.
 2. Treasury in early 1870s claimed silver was only 1/16 value of gold although silver although prices were higher in the market.
 3. Silver producers stopped offering silver for sale to the treasury and Congress stopped coinage of silver dollars in 1873 -- U.S. now off bimetal standard.
 4. Silver from new mines in West drove silver prices down even more.
 5. Westerners decried lower silver prices as the "crime of 1873"
 - a Silver mining states demanded return to earlier higher silver prices in order to increase inflation.
 - b Republicans refused and Grant maintained hard-money policy.
 6. **Bland-Allison Act** of 1878
 - a Compromise where gov't would buy and coin between \$2-4 million per month.
 - b Yet, gov't stuck to legal minimum and inflation did not occur.
-- Although economy grew, currency in circulation didn't keep pace resulting in lower prices.
 - D. 1878, Greenback Labor Party formed (seeking soft-money) and elected 14 members to Congress while polling over a million votes.
-- After depression ended in 1879, the currency issue did not come back to center stage politically until the 1890s.
- III. Politics in the **Gilded Age** -- Term coined sarcastically by **Mark Twain & Charles Dudley Warner** in *The Gilded Age* (1873)

Unit 7:2: Gilded Age Politics

- A. Era of the "forgettable presidents": Hayes, Garfield, Arthur, and Harrison
 - 1. Congress and business became more influential than the presidency.
 - 2. Grover Cleveland the only exception
- B. Era was most highly competitive politically in U.S. history
 - 1. All presidential elections close and House of Reps switched 6 times between 1869 and 1891.
 - Voter turnout reached highest levels in U.S. history before and after.
 - 2. Politicians extremely cautious not to tip balance to other party.
 - 3. The money issue and tariff issue were two main areas that separated the parties
 - Republicans differed only in that they were more successful.
- C. Social issues more pronounced in party differences
 - 1. Republicans traced their lineage to Puritanism and stressed strict codes of personal morality and gov't's involvement in regulating both economic and moral affairs of the community as a whole—middle class WASP values.
 - a Some refer to these ideas as "Victorian" values
 - b Heavy support from businessmen
 - c Support from Midwest and small and rural towns in northeast
 - d Heavy support from African Americans
 - e Emphasized identify-of-interest argument: people should accept their place in society because the wealthy know what's best for the country **GAR** (Grand Army of the Republic), a politically influential fraternal organization of several hundred thousand Union vets from the Civil War.
 - 2. Democrats consisted of many immigrant German Lutherans and Catholics (especially Irish)
 - a Religions stressed less stern views of human weaknesses
 - b Views opposed gov't efforts to impose single moral standard on society.
 - c Support came from the Solid South and large industrial cities where immigrants factored in significantly under political machines.
 - d Emphasized economic equity
 - 3. Prohibition and education became intense issues at the local level.
- D. Patronage and bribery dominated politics
 - 1. Definition: Giving away gov't offices for votes, kickbacks, and party service.
 - 2. Gov't employment expanded significantly (e.g. postal service)
 - 3. Reformers targeted spoils system as being inefficient and corrupt.
 - Civil service reform largely anti-Irish in politics.
- E. Republican factions
 - 1. **"Stalwarts"** led by **Roscoe Conkling**, senator who favored spoils system
 - 2. **"Half-Breeds"** led by **James G. Blaine**, Congressman who favored civil service reform
 - 3. **"Mugwumps"** -- represented in thought by **Thomas Nast** (political cartoons)
 - a Composed of young liberal reformers
 - b Favored Reconstruction policies to help African Americans
 - c Anti-corruption (continued Liberal Republican ideas)
 - 4. Infighting 1870s and 80s resulted in a stalemate within the party.
- IV. **Election of 1876**
 - A. Supporters urged Grant to run for a third term in 1876; Grant was willing
 - House passed a resolution (233-18) for retaining the two-term tradition.
 - B. Republicans nominated **Rutherford B. Hayes** as a compromise candidate
 - C. Democrats nominated **Samuel Tilden** (of Boss Tweed fame)
 - D. Election results
 - 1. Tilden one of only three candidates to win majority of popular votes but lose election; others Grover Cleveland in 1888 and Al Gore in 2000
 - 2. Election fraud in SC, FL, and LA resulted in commission created to determine the election.
 - E. **Compromise of 1877**
 - 1. Hayes would become president in return for withdrawing remaining federal troops from last two states, Louisiana and South Carolina.
 - 2. Republicans assured Democrats of presidential patronage and support for a bill subsidizing a southern transcontinental railroad route.
 - 3. Officially ended Reconstruction; black rights sacrificed in the South.
- V. Election of 1880, Garfield and Arthur
 - A. Republican James Garfield defeated Democrat Winfield Hancock (both were Civil War officers)
 - B. Garfield second president to be assassinated (June, 1881) -- Assassin Charles Guiteau was a disgruntled office seeker; "I am a Stalwart. Arthur is now president of the U.S."
 - C. Because vice president Arthur was a Stalwart, it seemed Stalwarts (followers of Conkling) would get all the good civil service jobs.

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- D. Garfield became a martyr in a corrupt civil service system—spurred public demand for reform
- E. **Pendleton Act** of 1883
 - 1. Provisions
 - a Prohibited hiring office holders based on wealth.
 - b Merit system for making appointments
 - c Set up **Civil Service Commission** to give open competitive examinations to applicants for posts in classified office.
 - Offices not "classified" by the president were open to spoils.
 - d By 1884, nearly 10% of federal offices "classified"
 - e By 1980's, about 90% were classified.
 - 2. Problem: Federal patronage from powerful office-seekers significantly reduced thus forcing politicians to look increasingly to corporations for campaign funds.

VI. Election of 1884

- A. James G. Blaine became the Republican nominee
 - 1. Many Republicans believed Blaine was corrupt
 - 2. Some Republicans left for the Democratic party and dubbed *Mugwumps*
- B. Democrats nominated Grover Cleveland
 - 1. Seen as a reformer who as governor stood firm against the railroads in NY.
 - 2. Platform included more honesty and efficiency in government.
- C. Campaign
 - 1. Republicans publicized Cleveland's claim of having an illegitimate child
 - a NY Republican clergyman damned the Democrats as the party of "Rum, Romanism, and Rebellion"
 - i Insulted NY's Irish community
 - ii Blaine failed to repudiate the statement
 - iii The nativist phrase ultimately cost Blaine crucial NY
- D. Election results
 - 1. Cleveland won 219-182 and by about 40,000 popular votes.
 - 2. The desertion of Mugwumps and the NY incident sealed Cleveland's victory.
 - 3. Cleveland also won the Solid South
 - 4. First Democratic president since Buchanan 28-years earlier

VII. **Cleveland's presidency**

- A. Staunch believer in *laissez faire*: gov't should leave the free market alone.
- B. Initially favored cause of Mugwump reformers but eventually caved in to the Democratic political machine mindset and fired about 2/3 of federal
- C. **Military pensions**
 - 1. By 1880, military pensions for Civil War veterans were being abused through loopholes that allowed able-bodied veterans to file fraudulent claims.
 - 2. **GAR**: powerful lobby organization that influenced elections.
 - 3. Cleveland courageously vetoed several hundred thousand new pensioners.
- D. Tariffs became the major issue separating the two parties in the 1880s.
 - 1. Republicans favored a high tariff; Democrats hated it.
 - Republicans argued that it stimulated American industry and benefited all Americans (like "trickle down"); labor gave some support
 - 2. High tariffs since the Civil War created a **treasury surplus** annually by 1881 amounting to \$145 million.
 - 3. Tariffs stifled American foreign trade, 75 to 80% of which was agricultural
 - a Pushed costs for farm production higher
 - b As producers and consumers, farmers were double victims.
 - c Workers' wages did not increase nearly at the rate tariffs increased prices.
 - 4. Cleveland sought lower tariffs
 - a Thought lower tariffs = lower prices for consumers & less monopolistic.
 - b Would also end embarrassing treasury surplus.
 - c In 1887 annual address to Congress, Cleveland spent entire speech arguing for lower tariffs.
 - d The tariff determined the election of 1888.
- E. Landmarks during Cleveland's term (though not wholly supported by Cleveland)
 - 1. **Dawes Act** -- designed to control Indians (see "Great West material)
 - 2. **Interstate Commerce Act** -- designed to curb railroads
 - 3. Set aside 81 million acres of public domain in the West -- land that had been improperly acquired by "cattle barons" or the railroads. (See "Progressivism")

VIII. Election of 1888 – tariff primary issue

- A. Democrats grudgingly renominated Cleveland.

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- B. Republicans nominated **Benjamin Harrison** (grand-son of William H. Harrison)
- C. Harrison d. Cleveland 233-168 (although Cleveland had more popular votes)
 - 1. Only 2nd time in U.S. history person with most popular votes lost election.
 - 2. Cleveland the first sitting president to be voted out since Van Buren in 1840.
 - 3. Republicans interpreted victories in House (1st time in over a decade) and the Senate as a mandate for the tariff. Tariffs subsequently increased.

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